

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

UNIVERSITAS EDUCATION, LLC,)	
)	
Petitioner/Judgment Creditor,)	
)	
v.)	Case No. 14-FJ-05-HE
)	
NOVA GROUP, INC.,)	
)	
Respondent/Judgment Debtor,)	
)	
AVON CAPITAL, LLC,)	
)	
Respondent/Judgment Debtor,)	
)	
ASSET SERVICING GROUP, LLC,)	
)	
Respondent/Garnishee,)	
)	
SDM HOLDINGS, LLC,)	
)	
Respondent/Garnishee,)	
)	
and)	
)	
AVON CAPITAL, LLC, a Wyoming Limited)	
Liability Company,)	
)	
Intervenor.)	

**RECEIVER’S MOTION FOR AUTHORIZATION TO OBTAIN
LOANS AGAINST CERTAIN POLICIES, IF NECESSARY,
FOR PAYMENT OF PREMIUMS AND EXPENSES**

COMES NOW the Receiver, Ryan Leonard, and moves the Court for authority, if necessary, to instruct the manager of SDM to make application for and obtain loans against certain policies held through SDM Holdings, LLC (“SDM”) in an amount not to exceed

\$400,000.00. Upon information and belief, this amount should provide sufficient funding to pay premiums for the portfolio of policies held through SDM and other expenses through August 2024. In support of this Motion, the Receiver states as follows:

1. SDM is currently awaiting receipt of proceeds from six policies which have matured. The pending maturities total \$383,050.59.

2. The Receiver has learned, through communications with Asset Servicing Group, LLC (“ASG”) and insurers, that the actions of one or more individuals associated with a Connecticut entity called SDM (hereinafter “SDM-CT”) to change the policy contact information to an address in Connecticut has delayed SDM’s receipt of some or possibly all of these proceeds, potentially indefinitely.

3. Projected premiums have been paid for the policies through May 2024.¹ ASG’s monthly servicing fee of approximately \$18,500.00 per month has not been paid for May 2024. While the Receiver’s fees and expenses for January 2024 have been approved by the Court in the amount of \$5,167.50, payment of these fees and expenses is subject to a ruling on the Receiver’s pending Application for Order Approving Distribution [Doc. No. 616].² The Receiver’s fees and expenses for February 2024 in the amount of \$11,357.50, and fees and expenses for March 2024 in the amount of \$18,422.50, are

¹ Due to ASG receiving “minimal mail” as a result of the policy contact information being changed to Connecticut, ASG does not presently have fully accurate information for premiums due for most, if not all, policies. For that reason, ASG has paid, and will continue to pay, subject to the availability of funds, projected premium amounts based upon historical payments.

² The fees and expenses for the Receiver include the fees of the Receiver’s counsel, Heidi Long.

awaiting Court approval and thus have not been paid. In short, no fees or expenses of the receivership have yet been paid.

4. The projected unpaid premiums through August are:

- June 2024: \$56,906.10
- July 2024: \$31,631.15
- August 2024: \$46,486.84

Total Projected Premiums Owed through August 2024: **\$135,024.09**

ASG's approximate expenses for the period of May-August 2024 total **\$74,000.00**. In addition, following the termination of the initial receivership, ASG was not paid for its services for the period of August 2023-January 2024, leaving a balance due of **\$87,165.04**. Given the critical services ASG has provided and continues to provide to service the policies and maintain them in force, in the opinion of the Receiver, these fees should be paid. Additionally, the compensation of SDM's manager, Nicole Jacobsen, is \$2,000.00/month, for a total compensation of **\$10,000** during the period of April-August 2024. Finally, for the period of January-March 2024, the Receiver's fees and expenses total **\$35,012.50**. It is the Receiver's sincere desire to considerably reduce future fees and expenses. However, in light of the actions of the individual(s) associated with SDM-CT which have greatly complicated the Receiver's ability to perform his duties (and also necessitated work of his counsel), the Receiver has budgeted an additional **\$62,500** for unincurred fees and expenses for the period of April-August 2024. The Receiver is hopeful much of these budgeted fees and expenses are not incurred.

5. The current balance in SDM's bank account managed by ASG is approximately \$28,000.00.

6. Based upon information obtained from ASG, there are currently \$2,302,551.82 in loans pending against various whole life policies in SDM's portfolio. Approximately \$1,000,000.00 of collective borrowing capacity remains for policies with values in excess of \$5,000.00.³

7. If granted the authority requested herein, the Receiver will work with the manager of SDM to identify specific policies against which loans can be taken (without placing any particular policy into "over loan" status). ASG advises that, once loan applications are submitted, processing times generally take between 10 to 45 days. However, in light of conflicting information insurers have received (as recently as March 26, 2027) regarding ownership of the policies, it is unknown exactly how long it may take to obtain the loans. Without the proceeds of loans taken against the whole life policies or the receipt of maturities, absent payment from another source, the policies will lapse.

WHEREFORE, for the reasons stated herein, the Receiver respectfully moves for the authority, if necessary, to instruct the manager of SDM to make application for and obtain loans against certain policies held through SDM in an amount not to exceed

³ A caveat to this statement is, while all carriers have received the Receiver's notice of these proceedings and applicable Court Orders, it is unknown at this time if there are carriers which may not have changed the address of record from Connecticut to Oklahoma for any particular reason, or if a policy or policies is subject to a restraining order (which, upon information and belief, has not been an issue in seeking previous loans).

\$400,000.00 which, upon information and belief, should provide sufficient funding to pay premiums for the policies and other expenses through August 2024.

Dated: April 8, 2024.

Respectfully submitted,

s/ Ryan Leonard

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RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that on April 8, 2024, I electronically transmitted the attached document to the Clerk of Court using the Electronic Case Filing System for filing. Based on the records currently on file in this case, the Clerk of Court will transmit a Notice of Electronic Filing to those registered participants of the ECF System.

s/ Ryan Leonard

Ryan Leonard